INPRS
PUBLIC EMPLOYEES' RETIREMENT FUND

State Form 53709 (R3 / 2-13)
Approved by State Board of Accounts, 2013

**RMD**
**Required Minimum Distribution**

**INDIANA PUBLIC RETIREMENT SYSTEM**
**PUBLIC EMPLOYEES' RETIREMENT FUND**
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204-2014
Telephone: (888) 526-1687 (Toll-free)
Fax: (866) 591-9441 (Toll-free)
E-mail: questions@inprs.in.gov
Web site: www.inprs.in.gov

# Retirement Application

*All Social Security numbers are requested by this agency in accordance with the requirements of the Internal Revenue Code. Disclosure is mandatory and this form cannot be processed without this information.

## Instructions

***Submit this application no later than 90 DAYS before you leave work to avoid a gap between your paycheck and your PERF benefit.***

*Unless an exception exists, federal law generally prohibits PERF from making distributions prior to "separation from employment." Uninterrupted service in any capacity or re-employment that is a continuation of employment will prevent INPRS from making distributions to the employee from the fund. A PERF member's application for retirement benefits is* ***VOID*** *if the member has a formal or informal agreement, prior to retirement, with a covered employer to become re-employed in a covered position. Benefit payments are stopped and the member must repay the amount of benefit received.*

1. *INPRS must have a legible copy of your birth certificate or equivalent documentation as described herein. If you designate a survivor, also you must provide the survivor's birth certificate. The following are acceptable forms of proof of birth according to 35 IAC 1.2-5-17:*
   - *A birth certificate or registration from the public health department or other governmental entity.*
   - *A court decree obtained under IC 34-28-1 and certified by the clerk of the court.*
   - *Other evidence relating to the member's date of birth may be submitted, and upon approval the board shall fix a date based thereon.*

   *A member selecting a joint and survivor retirement option shall also provide evidence of the date of birth of the survivor.*
   - *In all instances, if the documentation you are submitting is in a language other than English, you must provide a certified English translation*
   - *A legible copy of the birth certificate is sufficient for both member and survivor, if applicable. If original copies or certified copies are sent, they will* ***not*** *be returned unless the member includes a request in writing with his/her retirement application.*
2. *If you choose pension Option 30, 40, or 50 you must supply proof of age for your beneficiary. See Instruction 1 for details.*
3. *Type or print using black ink.*
4. *Print your name and Social Security number at the top of every page as indicated, except page 1.*
5. *Before you sign the* Retirement Application*, review your choices carefully.*
6. *Sign the application in STEP 8.*
7. *Have your application notarized in STEP 8.*
8. *Complete the* Application for Direct Deposit of Recurring Payment (State Form 39175) *and submit it with this* Retirement Application.
9. *Mail this completed form and all required documents directly to PERF. Do* ***not*** *return the* SPECIAL TAX NOTICE.

***NOTE****: This application* ***cannot be finalized unless*** *all required steps are completed and the application is returned to INPRS at the address on this form.*

## STEP 1: Member Information – Required

| | | | |
|---|---|---|---|
| Social Security number* | Pension ID (PID) number | | Date of birth (*mm/dd/yyyy*) |
| First name | | Middle initial | Last name |
| Address | City | State | ZIP Code |
| Daytime telephone number with area code | Evening telephone number with area code | | |
| E-mail address | Most recent PERF employer | | |

*Your retirement date must fall on the first day of a month after you stop working in a PERF-covered position or become age eligible for retirement. This date may not be more than six months before INPRS receives your completed retirement application because state statute limits retroactive benefits except with respect to supplemental benefits paid in accordance with IC 5-10.2-4-10. (See instructions for examples.)*

**Retirement Date** (*mm/01/yyyy*)**:** ______________________ / 01 /__________
Month Day Year

**Earliest Possible Retirement Date**

☐ I choose as my retirement effective date the earliest possible date on which I qualified for retirement benefits. I understand that, pursuant to *IC 5-10.2-4-1(d)(3)*, my retirement date may not be more than six months before this Retirement Application is received by INPRS. By selecting this option, I further understand and agree that INPRS shall determine, on my behalf, my earliest possible retirement date.

Last day worked, if known (*mm/dd/yyyy*): ______________________________

Have you ever been a member of the Teachers' Retirement Fund (TRF)? ☐ Yes ☐ No

| Member's name | Social Security number* | Pension ID (PID) number |
|---|---|---|
| | | |

## STEP 1: Member Information – Required *(continued)*

As of July 1, 2008, a member with both PERF and TRF service must choose the fund from which to retire. Select the fund from which you want to receive a benefit. *(Check one)* ☐ PERF ☐ TRF

Have you ever received or are you currently receiving a monthly retirement benefit from PERF or TRF? ☐ Yes ☐ No

Have you applied for a Social Security Disability benefit? ☐ Yes ☐ No

Have you been awarded a Social Security Disability benefit? ☐ Yes ☐ No

*If **Yes**, contact Customer Service at (888) 526-1687 for the appropriate disability retirement form to complete and submit.*

## STEP 2: Select Your Pension Option – Required

*Your pension is a monthly, lifetime benefit funded by your employer(s). The pension option you select determines the amount of your check, whether you have a beneficiary and, if so, how much that beneficiary will receive when you pass away. If your beneficiary is not your spouse, is more than 10 years younger than you and you are considering Option 30 or 40, contact INPRS to verify that you are eligible for these options. Once you select a pension option, you cannot change it, except under certain circumstances (IC 5-10.2-4-7).* ***If you have filed, or will file a Disability Retirement Application, you cannot select Integration with Social Security (Option 61) for your benefit selection.***

***You must select and mark ONLY ONE of the seven options listed below:***

☐ **Five Year Guaranteed Benefit (Option 10):** You will receive a monthly benefit for the rest of your life. If you die before receiving benefit payments for five years, your beneficiary will receive that monthly benefit for the remainder of those five years **or** a lump sum distribution equal to the present value of those remaining payments. After five years, there are no payments available to the beneficiary. Members selecting this option **should** designate a beneficiary in STEP 4.

☐ **Benefit with No Guarantee (Option 20):** You will receive a monthly benefit for life, but there are no monthly payments to anyone after your death. However, the balance of your Annuity Savings Account (ASA) will be distributed to your beneficiary or estate if it is larger than the payments previously made to you. Members who have selected this option and chosen Leave Your Annuity Savings Account Invested with PERF **or** Combine ASA with Lifetime Pension Benefit in STEP 5 **should** designate a beneficiary in STEP 4.

☐ **Joint with Full Survivor Benefits (Option 30):** You will be paid a monthly benefit for life. After you die, the same monthly benefit will be paid to your beneficiary for his/her lifetime. If your beneficiary is **not** your spouse, contact INPRS to make sure you are eligible to select this option. Members selecting this option **should** designate a beneficiary in STEP 3.

☐ **Joint with Two-Thirds Survivor Benefits (Option 40):** You will be paid a monthly benefit for life. After you die, two-thirds of your benefit will be paid to your beneficiary for his/her lifetime. If your beneficiary is **not** your spouse, contact INPRS to make sure you are eligible to select this option. Members selecting this option **should** designate a beneficiary in STEP 3.

☐ **Joint with One-Half Survivor Benefits (Option 50):** You will be paid a monthly benefit for life. After you die, one-half of your benefit will be paid to your beneficiary for his/her lifetime. Members selecting this option **should** designate a beneficiary in STEP 3.

☐ **Cash Refund Annuity (Option 71):** In order to select this option, you must choose to combine at least a portion of your ASA with your lifetime monthly pension benefit. If you select this option, you will receive a monthly benefit for the rest of your life. If you die before receiving payments for five years, your beneficiary will receive the pension portion of the monthly benefit in either monthly payments for the remainder of the five years or a one-time payment of the current value. Any remaining annuity portion will be paid in a lump sum payment. Members selecting this option **should** designate a beneficiary in STEP 4.

## STEP 3: Option 30, 40, or 50 – Beneficiary
### *Complete only if you elected Option 30, 40, or 50*

***SKIP THIS STEP if you chose pension Option 10, 20, or 71; list your beneficiary information in STEP 4 only.***
*If you chose Option 30, 40, or 50, provide a beneficiary below. You **must** submit a copy of a birth certificate or other eligible document that verifies your beneficiary's age. You can only designate one person.*

| Beneficiary's name *(Last, first, middle initial)* | | Social Security number* | |
|---|---|---|---|
| Address | City | State | ZIP Code |

| Member's name | | Social Security number* | Pension ID (PID) number |
|---|---|---|---|
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | |

## STEP 4: Option 10, 20, or 71 – Primary Beneficiary
### *Complete only if you elected Option 10, 20, or 71*

***SKIP THIS STEP if you chose pension Option 30, 40, or 50; list your beneficiary information in STEP 3 only.***

*If you chose pension Option 10, 20, or 71, list your beneficiary information below. You must specify whether each one is a primary or contingent beneficiary. You may list as many or few beneficiaries as you want. Designate the percentage amount for each primary and/or contingent beneficiary. The amounts for each beneficiary must be made in whole percentages and the total must equal 100 percent. For more than five, duplicate this page or provide all requested information on a separate sheet of paper and include it when you submit this Retirement Application.*

***NOTE:*** *If you choose Option 20 (Benefit with No Guarantee) and also select "Withdraw Entire ASA," you do not need to list any beneficiaries because there will be no survivor benefits after you die.*

### Primary Beneficiary 1 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

### Primary Beneficiary 2 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

### Primary Beneficiary 3 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

***Designate a percentage amount for each primary beneficiary:***

**Primary Beneficiary 1:** ______________________ Beneficiary's name ________% Percent

**Primary Beneficiary 2:** ______________________ Beneficiary's name ________% Percent

**Primary Beneficiary 3:** ______________________ Beneficiary's name ________% Percent

**= 100%**

| Member's name | Social Security number* | Pension ID (PID) number |
|---|---|---|
| | | |

## STEP 4: Option 10, 20, or 71 – Contingent Beneficiary *(continued)*
### *Complete only if you elected Option 10, 20, or 71*

***SKIP THIS STEP if you chose pension Option 30, 40, or 50; list your beneficiary information in STEP 3 only.***

*If you chose pension Option 10, 20, or 71, list your beneficiary information below. You must specify whether each one is a primary or contingent beneficiary. You may list as many or few beneficiaries as you want. Designate the percentage amount for each primary and/or contingent beneficiary. The amounts for each beneficiary must be made in whole percentages and the total must equal 100 percent. For more than five, duplicate this page or provide all requested information on a separate sheet of paper and include it when you submit your Retirement Application.*

***NOTE:*** *If you choose Option 20 (Benefit with No Guarantee) and also select "Withdraw Entire ASA," you do not need to list any beneficiaries because there will be no survivor benefits after you die.*

### Contingent Beneficiary 1 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

### Contingent Beneficiary 2 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

### Contingent Beneficiary 3 – Personal Information

| Beneficiary's name *(Last, first, middle initial)* | | | Social Security number* | |
|---|---|---|---|---|
| Address | | City | State | ZIP Code |
| Telephone number with area code | Date of birth *(mm/dd/yyyy)* | Relationship to member | | |

***Designate a percentage amount for each contingent beneficiary:***

**Contingent Beneficiary 1:** ______________________ Beneficiary's name ________% Percent

**Contingent Beneficiary 2:** ______________________ Beneficiary's name ________% Percent

**Contingent Beneficiary 3:** ______________________ Beneficiary's name ________% Percent

**= 100%**

| Member's name | Social Security number* | Pension ID (PID) number |
|---|---|---|
| | | |

## STEP 5: Select Your Annuity Savings Account (ASA) Payment Method – Required

***If you have previously withdrawn your ASA skip to STEP 8.*** *How you choose to take a distribution from your Annuity Savings Account can have significant tax consequences. A Special Tax Notice has been included in this packet. You may also want to seek professional tax advice prior to making distribution decisions.* ***If you choose to take a rollover distribution of your ASA and do not complete the rollover by the 60th day following the day on which you receive the distribution, your distribution may be subject to taxes and/or penalties unless you qualify for a waiver. Consult your tax advisor for waiver qualifications.***

***You must mark one of the choices listed below:***

☐ **Combine ASA with Lifetime Pension Benefit**
I choose to receive, as part of my monthly benefit, the total amount of my Annuity Savings Account. I understand that this monthly payment will continue for my lifetime and that I will not receive any other distribution from my Annuity Savings Account.

☐ **Withdraw 1986 Tax Basis (Non-taxable) Portion of ASA and Combine Taxable Portion with Pension Benefit**
I choose to receive a distribution of the non-taxable portion of my Annuity Savings Account distribution as indicated below and then receive the balance of the account as a part of my monthly payment. For the non-taxable portion, select only **one** distribution choice from the following:

☐ A. Direct Rollover ______________________________
Name of Eligible 401(a), 403(b) Plan, or Traditional or Roth IRA.

☐ B. Paid directly to me

☐ C. Partial Rollover in the amount of _________% balance (less withholding) paid to me.

______________________________
Name of Eligible 401(a), 403(b) Plan, or Traditional or Roth IRA.

☐ **Withdraw Entire ASA**
*Select one box for the "Taxable Portion" and, if it applies to you, one box for the "1986 Tax Basis Portion".*

I choose a complete distribution of my Annuity Savings Account as follows:

1. Taxable Portion *(Check only **one**.)*

☐ A. Direct Rollover ______________________________
Name of Eligible 401(a), 403(b) or governmental 457(b) Retirement Plan, or Traditional or Roth IRA.

☐ B. Paid directly to me

☐ C. Partial Rollover in the amount of _________% balance (less withholding) paid to me.

______________________________
Name of Eligible 401(a), 403(b) or governmental 457(b) Retirement Plan, or Traditional or Roth IRA.

2. 1986 Tax Basis (Non-taxable) Portion *(Check only **one**.)*

☐ A. Direct Rollover ______________________________
Name of Eligible 401(a), 403(b) Plan, or Traditional or Roth IRA.

☐ B. Paid directly to me

☐ C. Partial Rollover in the amount of _________% balance (less withholding) paid to me.

______________________________
Name of Eligible 401(a), 403(b) Plan, or Traditional or Roth IRA.

| Member's name | Social Security number* | Pension ID (PID) number |
|---|---|---|
| | | |

## STEP 6: Additional Annuity Savings Account (ASA) Contributions

*In some cases additional contributions may be received by INPRS from your employer after your retirement application is processed. These "trailing" contributions are typically not more than $500. Select* ***one*** *option below, should INPRS receive trailing contributions for your account.*

☐ I elect to have the trailing contributions paid to me in a lump sum.

☐ I elect to have the trailing contributions rolled over to my IRA or other qualified Retirement Plan.

☐ I originally elected a monthly annuity and elect to have the trailing contributions annuitized as part of my monthly benefit.

*If no selection is made, your "trailing" contributions will be paid to you in a lump sum.*

## STEP 7: Election for Annuity Savings Account (ASA) Tax Withholding

***Only complete this section if you chose "Paid directly to me" in STEP 5. If you selected any other Annuity Savings Account choice, skip to STEP 8.***

*Indiana income tax withholding for Indiana residents is optional on payments from the Fund. If you are an Indiana resident and want to have Indiana income tax withheld at this time, provide a flat, whole dollar amount to be withheld on the* Annuitant's Request for State and County Income Tax Withholding *(State Form 37365)* Form WH-4P.

*Indiana residents: Check Box 1 below if you are an Indiana resident and would like to have Indiana income tax withheld from the taxable portion of your distribution. Your decision not to have Indiana income tax withheld from your distribution does not relieve you from paying such tax.*

*Non-residents: Check Box 2 if you are not a resident of Indiana. INPRS does* ***not*** *withhold state income tax for individuals living outside of Indiana at the time of distribution. Non-residents should consult an attorney or professional tax advisor to determine whether state tax applies to their situation.*

*You should consult the IRS or a professional tax advisor if you need further information about the taxes on your payments.*

***NOTE: You must also have state income tax withheld to elect county income tax withholding.***

☐ Box 1: I am an Indiana resident and would like to have Indiana state and county income tax withheld from the taxable portion of my distribution in the amount listed on the Indiana state tax form, Annuitant's Request for State and County Income Tax Withholding *(State Form 37365)* Form WH-4P.

☐ Box 2: I am not a resident of Indiana.

☐ Box 3: I am a resident of Indiana and I do not want Indiana income tax withheld from my distribution.

| Member's name | Social Security number* | Pension ID (PID) number |
|---|---|---|
| | | |

## STEP 8: Have Your Application Notarized – Required

***You must sign this section in front of a Notary Public and then the Notary Public must sign, date, and affix the seal to it.***

I have carefully read the form and understand it, and I have read all of the information included with the application.

I understand that if I have elected to annuitize my Annuity Savings Account (ASA), not more than 30 days prior to processing my Retirement Application, INPRS will place my ASA balance into a fixed value account in order to process my application.

All of the information I have provided and the questions I have answered are full, complete, and true, and no material fact has been concealed or omitted. The direct deposit information is accurate.

I further verify that I understand that I am not allowed, by law, to enter a PERF-covered position with any employer within 30 days of my retirement date. In addition, I am not continuing uninterrupted employment in any capacity (full or part-time) in a PERF-covered or non-covered position in any department of my current employer, nor do I have a formal or informal agreement to become re-employed in a PERF-covered position.

I understand that after this application is processed, I cannot change the selections I have made, except in very limited circumstances.

| Member's signature | Member's printed name | Date *(mm/dd/yyyy)* |
|---|---|---|
| | | |

State of ______________________________

SS: SEAL

County of ______________________________

Before me the undersigned, a Notary Public for _________________________ County, State of ____________________, personally
Officer's county of residence Officer's state of residence

appeared _____________________________________________ and he/she, being first duly sworn by me upon his/her oath, say that
Name of person
the facts alleged in the foregoing instrument are true.

Signed and sealed this _______ day of _______________________________, 20_______.

__________________________________________________
Notary's signature

My commission expires: ___________________________

__________________________________________________
Name of notary *(printed or typed)*

# SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

**Your Rollover Options for Payments**
Provided with the **RMD RETIREMENT APPLICATION (PERF)**
State Form 53709 (R3 / 2-13)

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an IRA or an eligible employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the GENERAL INFORMATION ABOUT ROLLOVERS section. Special rules that only apply in certain circumstances are described in the SPECIAL RULES AND OPTIONS section.

## GENERAL INFORMATION ABOUT ROLLOVERS

**How can a rollover affect my taxes?**
You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10 percent additional income tax on early distributions (unless an exception applies). However, if you do a rollover of your plan distribution to other than a Roth IRA, you will not have to pay tax until you receive payments later and the 10 percent additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

**Where may I roll over the payment?**
You may roll over the payment to either an IRA (an Individual retirement account or individual retirement annuity) or an eligible employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

**How do I do a rollover?**
There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

<u>If you do a direct rollover</u>, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

<u>If you do not do a direct rollover</u>, you may still do a rollover of all or a part of that payment by making a deposit into an IRA or employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20 percent of the taxable portion of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20 percent withheld. If you do not roll over the entire taxable portion of the payment, the portion not rolled over will be taxed and will be subject to the 10 percent additional income tax on early distributions if you are under age 59½ (unless an exception applies).

**How much may I roll over?**
If you want to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

**If I don't do a rollover, will I have to pay the 10 percent additional income tax on early distributions?**
If you are under age 59½, you will have to pay the 10 percent additional income tax for early distributions on any taxable portion of the payment from the Plan (including amounts withheld for income tax) that you do not rollover, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10 percent additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses

- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days

**If I do a rollover to an IRA, will the 10 percent additional income tax apply to early distributions from the IRA?**
If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10 percent additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10 percent additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments made after separation from service in a year in which you are at least age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-tree transfer maybe made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

**Will I owe State income taxes?**
This notice does not describe any State or local income tax rules (including withholding rules).

## SPECIAL RULES AND OPTIONS

**If your payment includes after tax contributions**
After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs).

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

**If you miss the 60-day rollover deadline**
Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

**If you have an outstanding loan that is being offset**
If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10 percent additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

**If you were born on or before January 1, 1936**
If you were born on or beforeJanuary1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance**
If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long term care Insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you roll over your payment to a Roth IRA**
If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10 percent additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after our death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10 percent additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

**If you are not a plan participant**

Payments after death of the participant. If you receive a distribution after a participant's death and you do not do a rollover, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10 percent additional income tax on early distributions will not apply. In addition, the special rules for public safety officers do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10 percent additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10 percent additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you area surviving beneficiary other than a spouse. If you receive a payment from the Plan because of a participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10 percent additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of a participant and you receive a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant could have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10 percent additional income tax on early distributions.

**If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U,S. employer plan, instead of withholding 20 percent, the Plan is generally required to withhold 30 percent of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens; and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entitles.

**Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served In the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

## FOR MORE INFORMATION

You may want to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.